Illinois Environmental Protection Agency · P.O. Box 19276, Springfield, IL 62794-9276

217/782-6762

Refer to: 1430050001--Peoria County
Keystone Steel and Wire
ILD000714881
RCRA Permit & Compliance

August 15, 1991

Dale L. Bennington, P.E.
Manager, Energy and Environmental Engineering
Keystone Steel & Wire Co.
7000 S.W. Adams Street
Peoria, Illinois 61641

Dear Mr. Bennington:

This is in response to your submittal of August 7, 1991 to Mr. Andrew A. Vollmer of the Agency requesting a complete waiver from the insurance requirements of 35 IAC 725.247(a) and (b). The Agency has reviewed this submittal and has determined that it has not been properly filed with the Agency. This determination is based upon the following:

1. 35 IAC 725.247(c), which establishes the criteria and procedures for such a request, requires that this request be processed as if it were a permit modification under 35 IAC 702.184(e)(3) and 705.128. Based upon a review of the applicable regulations pertaining to permit modifications, the Agency has determined that this request should be submitted as a Class I modification request subject to Agency approval.

2. The submittal was not accompanied by a certification meeting the requirements of 35 IAC 702.126.

Based upon the above determination that the subject request was not properly filed, the Agency has deemed your submittal to be incomplete and is returning it to you herewith. This determination shall serve as final action on the subject submittal. If you would like to pursue this request further, you should make a formal submission of this request to the Agency as a Class I permit modification request subject to Agency approval in accordance with the procedures and requirements specified in 35 IAC 703.281. Please note that any resubmittal must include a certification which meets the requirements of 35 IAC 702.126.

As a final comment, the Agency would like to point out that the potential for or presence of groundwater contamination at this site is very important in evaluating a request for relief from the insurance requirements of 35 IAC 725.247(a) and (b). Therefore, any resubmittal should thoroughly address this

issue and contain sufficient information to justify all conclusions/statements made regarding groundwater contamination at this site. Please note that the Agency is especially concerned with the trichloroethene and 1,1,1-trichloroethane which has been detected in the groundwater at the site and is the subject of an on-going investigation and remediation project.

If you have any questions regarding this letter, please contact James K. Moore, P.E. of my staff at 217/782-6762.

Very truly yours,

Lawrence W Eastep by CAZ

Lawrence W. Eastep, P.E., Manager
Permit Section
Division of Land Pollution Control

LWE:JKM:jm

Enclosure

cc: Division File
Andrew Vollmer
Division of Legal Counsel
Peoria Region
Kenn Liss
Ken Lovett
George Hamper, USEPA-Region V

2/28/91

ILLINOIS POLLUTION CONTROL BOARD
February 28, 1991

IN THE MATTER OF:	)	
PETITION OF KEYSTONE STEEL AND	)	AS 91-1
WIRE COMPANY FOR HAZARDOUS	)	(Adjusted Standard)
WASTE DELISTING	)	

ORDER OF THE BOARD (by J. Anderson):

On January 22, 1991, Keystone Steel and Wire Company filed a petition for adjusted standard from 35 Ill. Adm. Code 721.132. Keystone seeks to have its electric arc furnace dust (KO61) waste, produced at its facility in Peoria County, delisted as a hazardous waste after treatment by a "Super Detox" destabilization process; untreated KO61 waste is specifically listed as a hazardous waste under the RCRA regulations. The petition was accompanied by a letter claiming trade secret protection for Attachment L to the petition pursuant to 35 Ill. Adm. Code 120.201.

On March 1, 1990, USEPA delegated authority to Illinois to administer several additional components of the RCRA program. (55 Fed. Reg. 7320). This included Board authority to delist hazardous waste, in lieu of USEPA, pursuant to 35 Ill. Adm. Code 720.122.

This matter is procedurally complicated by the fact that, as of the time of the filing of the petition, the Board was in the process of adopting adjusted standard procedural rules specifically tailored to the handling of delisting petitions such as this. These regulations were adopted today. In the Matter of: RCRA Delisting, R90-17, February 28, 1991. Due to the pendancy of this rulemaking, on January 30, 1991, the Agency moved that this proceeding be continued until after final adoption of R90-17, and specifically that the time for the Agency's response to the petition, required pursuant to 35 Ill. Adm. Code 106.714, be extended until 30 days after the adoption of R90-17. On January 31, Keystone stated that it had no objection to the Agency's request. On February 20, 1991, Keystone moved for an extension of time in which to file proof of publication of newspaper notice of the filing of the petition, required until 14 days after the adoption of R90-17. Keystone asserts that it has delayed newspaper publication since, if the R90-17 were not to be adopted, such publication would be a useless act. The motion recites that the Agency has no objection to the motion.

The manner in which the parties have suggested this action proceed is generally acceptable. However, the Board notes that

the R90-17 RCRA Delisting rules are not effective until filed, and that the Board delays filing of identical in substance rules for a post-adoption comment period of 30 days to allow agencies involved in the RCRA authorization process a final review period. The Board accordingly believes it more appropriate to calculate the time periods suggested by the parties from approximately April 15, rather than today's date. Keystone shall file the proof of publication required by 35 Ill. Adm. Code 106.711 on or before May 1, 1991. The Agency shall file its response to the petition required by 35 Ill. Adm. Code 106.714 on or before May 15, 1991. The Clerk of the Board is directed to provide trade secret protection to Attachment L of the petition pursuant to 35 Ill. Adm. Code 120 unless and until otherwise directed by the Board.

IT IS SO ORDERED.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, hereby certify that the above Order was adopted on the 28th day of February, 1991, by a vote of 6-0.

Dorothy M. Gunn

Dorothy M. Gunn, Clerk
Illinois Pollution Control Board

5/23/91

ILLINOIS POLLUTION CONTROL BOARD
May 23, 1991

IN THE MATTER OF:	)	
	)	
PETITION OF KEYSTONE STEEL AND WIRE COMPANY FOR HAZARDOUS WASTE DELISTING	)	AS 91-1 (Adjusted Standard)
	)	
	)	

ORDER OF THE BOARD (by J. Anderson):

This matter comes before the Board on the May 2, 1991 "motion for 150-day extension to file a recommendation" filed by the Illinois Environmental Protection Agency (Agency). In support of its motion the Agency states that until the new delisting regulations of R90-17 were finalized and effective, "a comprehensive review of the [adjusted standard] petition could not be initiated due to the lack of detailed standards for review and limited resources" at the Agency. Also, the Agency states that the USEPA's Delisting Section's initial technical review of a delisting petition takes "2-5 weeks to perform at approximately 200 man hours on the average." In addition, USEPA contracts with private consultants to perform that initial technical review. Finally, the Agency notes that there is no statutory time frame for decision in adjusted standard petitions and that no environmental harm will result in granting the extension because Keystone Steel and Wire Company (Keystone) is in compliance with all applicable laws.

Keystone filed its "response to motion for extension" on May 9, 1991. Keystone's response notes that the Agency has had the delisting petition since January 22, 1991 and that the Board has already granted the Agency one continuance of these proceedings. Since this matter was originally filed with USEPA in August of 1990, and because significant daily costs are accruing while the matter is pending, Keystone has requested, in this and prior pleadings, that this matter proceed expeditiously. In light of these facts, Keystone is concerned with the Agency's lack of progress and the length of the requested extension. Keystone has asked the Board to establish a reasonable schedule for submission of the Agency's recommendation.

This matter has been closely tied with the proceeding in R90-17 which adopted adjusted standard procedural rules specifically tailored to handle delisting petitions for hazardous wastes. R90-17 was initiated after USEPA delegated the authority to delist hazardous waste to Illinois on March 1, 1990. When Keystone filed its adjusted standard delisting petition with the Board, R90-17 was still pending. As a result, the Agency and Keystone requested, respectively, that the time for filing a recommendation and for filing proof of publication be extended

until after the adoption of R90-17. The Board granted the motions after calculating that the rules would be effective about April 15, 1991. R90-17 was filed and effective as of May 9, 1991.

As mentioned, R90-17 adopted the general adjusted standard procedures for the delisting of hazardous waste. Pursuant to Section 106.714, within 30 days after an adjusted standard petition has been filed with the Board, the Agency must file a response recommending either grant or denial of the petition. During the public comment period for R90-17, the Agency filed comments which did not mention any problems with this time frame. Neither did any of the other public comments received by the Board. As a result, the regulations, as adopted, require an Agency response within 30 days of the filing of an adjusted standard delisting petition.

The Board understands that the Agency has more limited resources than USEPA and that the detailed administration of the delisting authority may not yet be known. Even so, technically, when Keystone filed its adjusted standard petition, the Agency knew of the proposed "detailed standards for review" in R90-17 and applicable to delisting petitions. As such, the Agency has already had 120 days for preliminary review and assessment of the administrative and resource requirements of adjusted standard delisting petitions. In light of these facts and Keystone's continued request for an expeditious proceeding, the Board denies the Agency's request for 150-day extension to file its recommendation. But, in recognition of the problems being confronted by the Agency for the first time, the Board hereby grants the Agency 60 days from the date of this Order to file its recommendation pursuant to Section 106.714.

IT IS SO ORDERED.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, hereby certify that the above Order was adopted on the 23rd day of May, 1991, by a vote of 6-0.

Dorothy M. Gunn

Dorothy M. Gunn, Clerk
Illinois Pollution Control Board

GARDNER, CARTON & DOUGLAS

SUITE 3400-QUAKER TOWER

321 NORTH CLARK STREET

WASHINGTON, D.C.

CHICAGO, ILLINOIS 60610-4795

(312) 644-3000

TELEX: 25-3628

TELECOPIER: (312) 644-3381

WRITER'S DIRECT DIAL NUMBER

LEE R. CUNNINGHAM
(312) 245-8742

March 11, 1991

United States Environmental
Protection Agency - Region V
230 South Dearborn Street
Chicago, Illinois 60604

Re: AS 90-1

To whom it may concern:

In compliance with the Illinois Pollution Control Board's new regulations authorizing RCRA delistings to be requested through a state adjusted standard proceeding, I have enclosed a copy of Keystone Steel & Wire's Petition for Delisting As An Adjusted Standard (AS 91-1), which was filed with the Board on January 22, 1991.

If you have any questions or desire further information, please call me at (312) 245-8742.

Very truly yours,

Lee R Cunningham

Lee R. Cunningham

LRC/glb

Enclosure

9790c

TECHNICAL AND ENGINEERING INFORMATION IN SUPPORT OF A REQUEST OF WAIVER FROM REQUIREMENTS OF 35 ILLINOIS ADMINISTRATIVE CODE 725.247(a) AND (b)

FOR

KEYSTONE STEEL AND WIRE
BARTONVILLE, ILLINOIS
AUGUST 8, 1991

INTRODUCTION

Keystone Consolidated Industries (Keystone) hereby requests, pursuant to 35 I.A.C. Section 725.247(c), that the Illinois Environmental Protection Agency (IEPA) adjust to zero the required level of liability coverage for the RCRA units to be closed under the modified plan submitted by Keystone to the Agency on July 1, 1991. A copy of the July 1, 1991 submittal, consisting of the Phase 2 Closure Plan and Appendices, is attached hereto and reference is made to these documents for more detailed information and data in support of this request for waiver.

Based on the site conditions and sampling data set forth in detail in Keystone's July 1st Phase 2 Closure Plan submission, the levels of liability coverage required by Section 725.247(a) and (b) are not consistent with the degree and duration of risk associated with the closure of the units in question. As explained below, and as documented in the Phase 2 Closure Plan, there is no credible risk that either a sudden or a non-sudden event will occur prior to or during the implementation of the Closure Plan that would be capable of causing bodily injury or property

damage. The units in question are below-grade ditches that have been in existence for approximately 90 years, without giving rise to any liability claims. The sediments that are deemed, under the "mixture rule," to be listed hazardous wastes will be treated in-place with lime prior to excavation and off-site disposal as non-hazardous, special wastes. Surface water runoff flowing through the ditches is treated in Keystone's NPDES-permitted wastewater plant prior to being released into the Illinois River. In sum, the existance and closure of these ditches will create no risks justifying the imposition of any third-party liability insurance requirement.

Given the complete absence of any risk to persons, property, or the environment pending the completion of the Closure Plan, the adverse consequence to Keystone of a refusal to waive these liability insurance requirements is compelling. As more fully discussed on page 12 herein, Keystone is operating under a $35 million revolving credit ceiling imposed by the U.S. Pension Benefit Guaranty Corporation (PBGC). The only feasible means for Keystone to comply with Section 725.247 would be to establish an $8 million letter of credit, which would result in a corresponding reduction of the Company's revolving credit facility to a level inadequate to satisfy the Company's operating, pension funding and capital improvement requirements.

HISTORY

Keystone operates a manufacturing complex in the small community of Bartonville, which is situated just south of Peoria, Illinois, approximately one-half mile west of the Illinois River. The ditches that the IEPA has designated as RCRA units, and thereby requiring financial assurance (including the insurance requirements for sudden and non-sudden accidental releases), are identified as a series of ditches (North Ditch, Mid-Mill Ditch, South Ditch - North Half, South Ditch - South Half, and Surface Drainage Ditch), two Dredge Piles, and the 24-Hour Retention Reservoir. The IEPA has these units identified under the I.D. Code ILD000714881.

The wastes that Keystone discharged to the above ditches were industrial wastewaters that, after passage of the Resource Conservation and Recovery Act in 1980, were classified as a listed hazardous waste (K062, spent pickle liquor). The bottom sediments contained in these drainage ditches are considered potentially hazardous by Federal and State regulatory agencies because these materials have been in contact with spent pickle liquor, a listed hazardous waste (K062). Although Keystone operates these ditches under a valid IEPA wastewater discharge permit (a National Pollutant Discharge Elimination System or NPDES permit), the ditches were identified by the IEPA as surface impoundments subject to RCRA regulation. A Phase 2 Closure Plan for these units was submitted to the IEPA on July 1, 1991, in accordance with the IEPA letters of August 10 and October 31, 1990.

As part of the Phase 2 Closure Plan, Keystone has identified an additional area, the Lower South Ditch, that will be included in the closure of the above ditches.

The Keystone Wire Mill has been in operation at this location since approximately 1890 and has produced wire and wire products throughout most of the period of operation without much change in basic production process. Since October 1, 1986, all process wastewaters generated by the manufacturing processes have been directed to the on-site permitted industrial wastewater treatment plant, thus bypassing the ditches and the 24-Hour Retention Reservoir. Surface runoff from both off-site areas and from the Keystone site continues to flow through all of the named ditches; this runoff is pumped into Keystone's NPDES-permitted wastewater treatment plant and treated before being discharged to the Illinois River.

NATURE OF HAZARD

According to an extensive sediment sampling and laboratory analysis program conducted by Keystone, the sediments in the drainage ditches fail the Toxicity Characteristic Leaching Procedure (TCLP) criteria for metals, in particular lead. Further, the sampling and laboratory analytical program conducted in February, 1991, also identified the Lower South Ditch as having sediments with elevated lead content, and these sediments also failed the TCLP metals criteria. Consequently, Keystone has included the Lower South Ditch in the Phase 2 Closure Plan submitted on July 1, 1991. It should be noted that the Lower South Ditch has been inactive since approximately 1969. Figure 3-1, which is from the July 1, 1991 Phase 2 Closure Plan, shows the location of the drainage ditches, the two Dredge Piles, and the 24-Hour Retention Reservoir.

Samples of sediments and natural soils below the sediments have been collected for laboratory analyses during the following four sampling events: (1) January and February, 1987; (2) June and July, 1987; (3) September and October, 1990; and (4) February, 1991. Background soil samples were collected in December, 1990. All of these data are summarized and included in Keystone's July 1, 1991 Phase 2 Closure Plan submittal.

This extensive characterization shows that there are low levels of organic compounds in the sediments but at concentrations that are of no environmental concern. As would be expected from ditches that handle a significant amount of storm water runoff, a trace amount of semivolatiles has been identified in the sediments, none of which are at concentrations that are of any significance. Consequently, the hazard to human health and the environment is the presence of heavy metals.

LOCATIONS/SETTING OF THE DITCHES AND OTHER UNITS

As shown on Figure 3-1, the ditches to be closed follow the Chicago and Northwestern Railroad tracks, and it is believed that the drainage ditches were created during construction of the railroad embankment. Consequently, the sediments in these drainage ditches are below existing grade or ground surface and are located below the water surface. Direct contact with any of the sediments by any individual is highly unlikely. Plate 2-1, in the attached Phase 2 Closure Plan submittal, shows the general topographic features of the ditches and the surrounding areas. From the information on Plate 2-1, a cross-section has been prepared for this document (see Figure 3-2), which shows a typical ditch, existing ground surface, the embankment, the railroad tracks, and the approximate depth of the sediments.

The two Dredge Piles also included in the Phase 2 Closure Plan are materials from the South Ditch - North Half and South Ditch - South Half that were removed in approximately 1976 by dredging. These dredged sediments can be described as slight mounds adjacent to the South Ditch; the area is currently overgrown with weeds and scrub vegetation. There is no potential for failure of these "piles", or for any other significant movement of materials.

The 24-Hour Retention Reservoir was used as a pre-settling and equalization basin before the industrial wastewaters were pumped directly to the wastewater treatment plant. The use of the 24-Hour Retention Reservoir was also discontinued after October 1, 1986. The 24-Hour Retention Reservoir is located just to the north of Keystone's wastewater treatment plant and was constructed by excavating the Reservoir within an area that was previously filled. As with the drainage ditches, failure of the side walls or berms in the 24-Hour Retention Reservoir to cause a "release" of sediments is impossible.

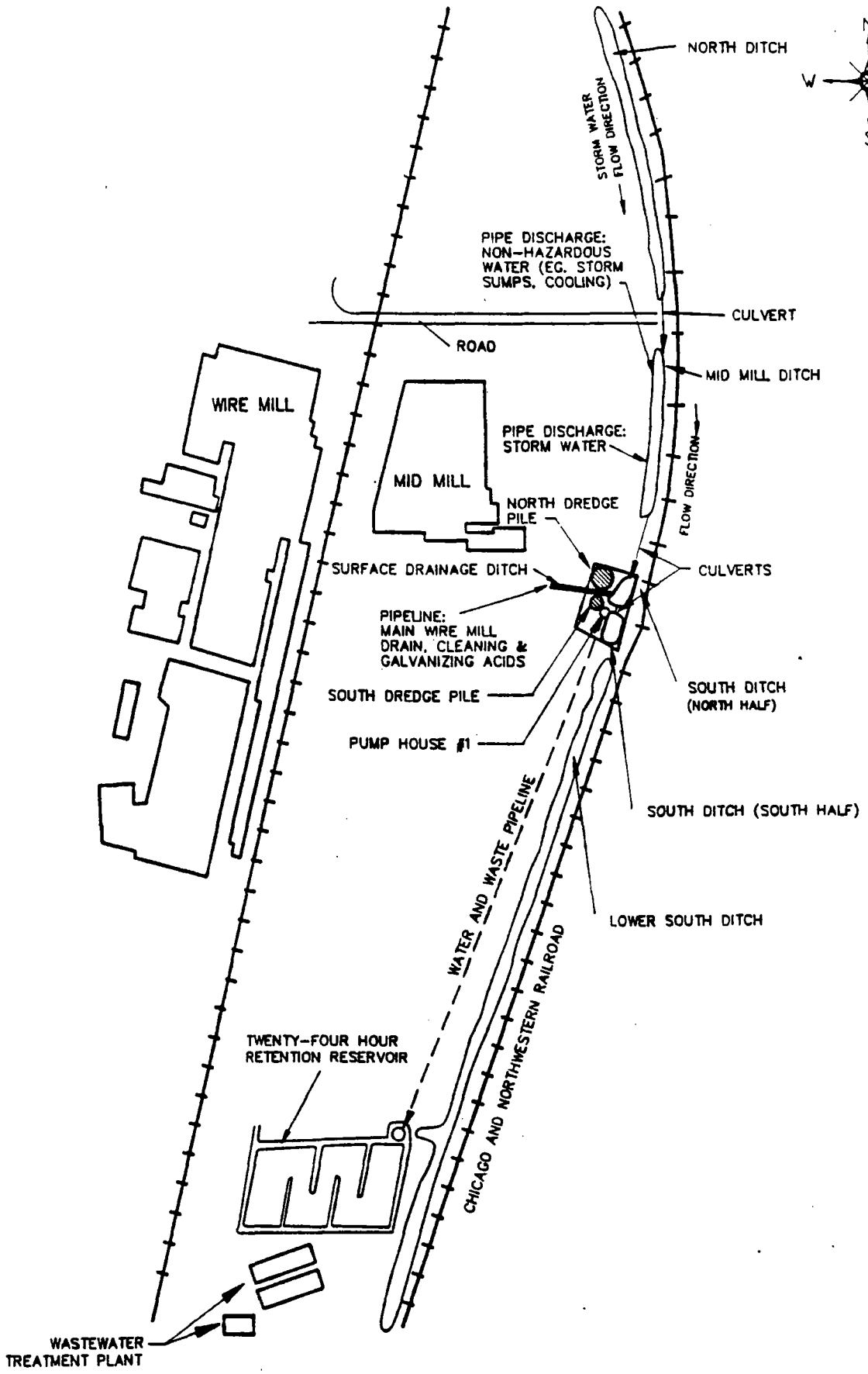
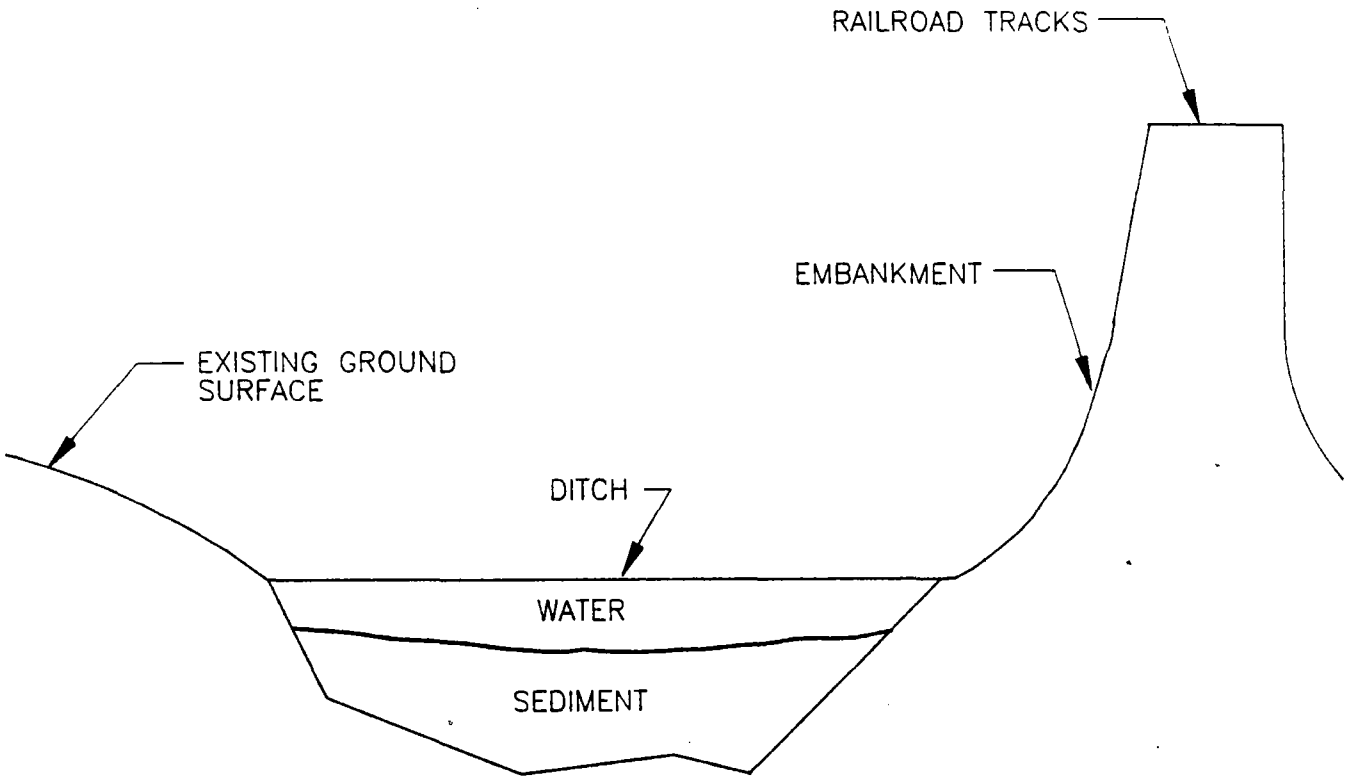


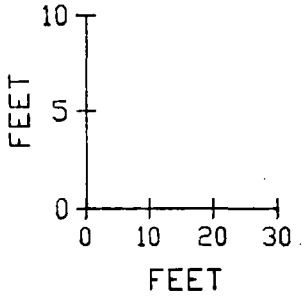
FIGURE 3-1

SITE FEATURES MAP
KEYSTONE STEEL AND WIRE COMPANY
BARTONVILLE, ILLINOIS

APPROX. SCALE (ft.)
0 600

CLIENT NAME: KEYSTONE STEEL AND WIRE COMPANY
APPROVED
DATE: 6/28/91
DESIGNED
DRAWN: BLAS-
REVIEWED: PH2CL
JOB NO: 9176





PROJECT: 0176
REPORT: FA
DRAWN: M.G.
DESIGNED:
DATE: 08/05/91
APPROVED:
CLIENT WHO: KEYSTONE STEEL AND WIRE COMPANY

FIGURE 3-2

TYPICAL CROSS SECTION FOR DITCHES
KEYSTONE STEEL AND WIRE COMPANY
BARTONVILLE, ILLINOIS

ERM

DEGREE AND DURATION OF RISK

This section presents the technical and engineering rationale to support Keystone's position that insurance coverage under 35 I.A.C. Section 725.247(a) and 725.247(b) is not warranted and should be waived. Section 725.247 requires insurance coverage for sudden and non-sudden accidental releases of sediments. To evaluate the need for such coverage, all possible release scenarios and/or pathways have been identified and reviewed. This evaluation clearly shows that neither sudden nor non-sudden accidental releases will occur during the forthcoming closure. Release scenarios and/or pathways evaluated included:

- Access by the General Public and/or Keystone Employees or Its Business Invitees;
- Failure of Ditch Side Walls;
- Resolubilization of Lead and Other Heavy Metals;
- Release to Ground Water;
- Release During Closure Activities; and
- Release to the Air.

Access by the General Public and/or Keystone Employees or Its Business Invitees

The ditches and other units that will undergo closure are fully contained on Keystone property, which property is surrounded by fences, and includes 24-hour security guards. Consequently, the general public has no access to the area.

The general risk that can be identified for Keystone employees or its business invitees, is the direct dermal contact with sediments, and/or the ingestion of sediments which could be high in heavy metal content, in particular lead. Should the sediments be "dry", an additional concern would be the inhalation of wind-borne dust. The concern about dry sediments will be addressed in a later section.

As previously described, the sediments are located beneath the water surface within each ditch. The ditches contain water at all times, as they serve as a storm water conveyance for not only the Keystone property but also for off-site storm water runoff. Consequently, there is no opportunity for direct human contact with the sediments by Keystone employees or its business invitees.

The Dredge Piles are located in an area at the approximate center of the Mid-Mill plant where access is extremely limited. There are no roadways and/or walkways which provide access for employees or business invitees. Further, there are no manufacturing operations, nor materials storage, that are close to these Dredge Piles where inadvertent contact with the Dredge Piles could occur.

In the event that the sediments are disturbed so that solids would become suspended in the water in the ditch, it should be noted that all of the waters are continually being directed to Keystone's wastewater treatment plant, which is a heavy metal chemical precipitation system. Any metals contained in the re-suspended solids would be removed by the treatment process and would not be discharged with the plant effluent.

Resolubilization of Lead and Other Heavy Metals

Of concern would be the possibility that, however unlikely, significant amounts of mineral acids would be released to one of the ditches, thereby resolubilizing the metals in the sediments. As previously described, the water in the ditches flows through Keystone's wastewater treatment plant. Since the wastewater treatment consists of lime addition to precipitate heavy metals, any resolubilized metal would be removed as part of the treatment process.

Also, within the Wire Mill, Keystone has an IEPA permitted system which no longer allows spent pickle liquor (i.e., low pH wastewaters) to be discharged into the ditches. A significant acid spill within the plant would be directed to this permitted system and would be pumped directly to the wastewater treatment plant. Consequently, the likelihood of any significant resolubilization of heavy metals is minimal.

Release to Ground Water

As shown on Plate 2-1, Keystone has installed ground water monitoring wells around the ditches and has been conducting quarterly ground water monitoring for these ditches since 1987. Data collected since that time have never indicated a significant release of metals to the shallow ground water. Sampling and laboratory analysis of the sediments has shown these materials to have a generally neutral to slightly alkaline pH. Further, the natural clays contained in the soils

surrounding the sediments would provide a cationic exchange capacity which would retard metal movement. Finally, given that the sediments have been in the ditches for some 90 years, and that ground water monitoring wells have never detected any elevated metals of concern, it is extremely unlikely that any future release of materials would occur.

Keystone will continue to monitor the ground water wells as part of the closure activities, until clean closure of the individual ditches has been achieved. If any of the ground water monitoring wells would identify increased metal concentrations, Keystone would immediately notify the IEPA after receipt of the laboratory data. If such a release occurred, the general nature, extent, and probable remediation approach would be discussed with the IEPA as a modification to the existing Closure Plan.

Release During Closure Activities

As more fully described in the Phase 2 Closure Plan submitted by Keystone on July 1, 1991, the treatment concept proposed does not create any new RCRA regulated units, but rather utilizes the existing ditches and 24-Hour Retention Reservoir for in-situ treatment, as follows:

1. The ditches will sequentially be isolated and removed from use as a storm water conveyance system. This requires the installation of storm water bypass facilities for each ditch in turn, so that the bypassed ditch can be decanted.

2. Decanting will remove all free surface water; this will allow direct access to the sediments for in-situ treatment. The treatment system proposed includes the injection of quick lime, or agricultural lime, to stabilize the metals which will produce a material equivalent to K063, a delisted solid waste. Although Keystone believes that the lime-stabilized sediments are equivalent to the USEPA delisted-lime-stabilized spent pickle liquor (e.g., K063), Keystone has proposed to follow the IEPA delisting procedures to document that lime addition produces a non-hazardous material.

3. Once Keystone has adequately demonstrated delisting, the nonhazardous lime-stabilized sediments will be excavated and transported off-site for disposal as an Illinois special waste. Consequently, since the lime-stabilized materials will no longer be a hazardous waste, insurance requirements for sudden and non-sudden accidental occurrences would not be required.

4. Lastly, Keystone intends to utilize contractor services for all closure activities and will require that the contractor have and maintain adequate insurance, to include both sudden and non-sudden accidental occurrences.

Release to the Air

Since the primary constituents of concern are metals, any release to the air would be due to wind-borne movement of dry sediments whether lime-stabilized or not. The dust could result in dermal contact and/or inhalation by Keystone employees, or its business invitees, or be spread

over a broad area. As previously described, the sediments will be lime stabilized prior to any excavation and removal so that the heavy metals will be contained in a lime-sediment matrix. To address this concern, Keystone, throughout the closure operations, will utilize water sprays to ensure that "dust" from either the sediments, or the lime-stabilized materials, will be controlled.

FINANCIAL CONSIDERATIONS

During the early 1980s, Keystone periodically experienced severe cash problems and found it necessary to request permission from the Internal Revenue Service (IRS) to defer certain annual pension plan contributions. The IRS granted three such requests -- the maximum permitted by law -- for the plan years each ending June 30, 1980, 1984, and 1985 (the "Pension Funding Waivers"), respectively. The deferred amounts aggregated $31.7 million and are payable to the pension plans, with interest, over fifteen years. As of June 30, 1991, the remaining balance of these deferred amounts was approximately $20 million. As a result of these Pension Funding Waivers, the PBGC, as agent for the pension plans, required that: (1) the deferred contributions be collateralized by a lien on all of the Company's assets, and (2) the Company's revolving credit borrowings and outstanding letters of credit be limited to $35 million. These PBGC requirements will be in existence until all deferred contributions are made. The last contribution is due in 2001.

Keystone has significant pension funding obligations due principally to the substantial underfunded status of its pension plans. As of December 31, 1990, the plans were approximately 50%, or $79 million, underfunded. Keystone's pension funding requirements were $16.1 million in 1989, $18 million in 1990 and will approximate $11.8 million in 1991. The rate of return on pension plan assets has a significant impact on annual contributions. The

pension funding requirements for 1992 cannot be determined until the December 31, 1991 actuarial valuation of the plans is performed, but Keystone currently expects 1992 requirements to be in excess of $20 million. The substantial increase in pension funding requirements in 1992 over 1991 is due principally to an approximate 22% decline in the market value of pension plan assets during 1990, and the timing of the required contributions related to this decline.

Keystone's highest revolving credit borrowings during each of the last three years was approximately $30 million in 1989, $28 million in 1990, and $30 million to date in 1991, respectively. Given Keystone's significant pension funding requirements and prospective necessary capital improvement expenditures, revolving credit borrowing requirements are expected to be similar in amounts for the next few years, at least. As previously mentioned, Keystone's revolving credit borrowings, including outstanding letters of credit, are limited to $35 million. As of today, letters of credit outstanding are $3.65 million, including the $2.85 million recently provided to the IEPA as part of the July 1, 1991 Phase 2 Closure Plan. Accordingly, current revolving credit borrowing capabilities are only $31.35 million which periodically results in extremely tight cash availability situations for the Company. Issuance of additional letters of credit would reduce Keystone's revolving credit borrowing capabilities to an amount which would be insufficient to meet the Company's operating, pension funding and capital improvement requirements.

REQUEST FOR WAIVER

Under the provisions specified in I.A.C. Section 725.247(c), Keystone is hereby requesting from the IEPA a complete waiver from the insurance requirements of I.A.C. Section 725.247(a) and 725.247(b). Keystone believes that the location and setting of the sediments in the ditches and other units that will undergo closure are such that there is no risk to either Keystone employees,

its business invitees, or the general public, and that the extensive soil and sediment sampling and ground water monitoring already conducted by Keystone clearly shows there has been no release to the environment. The risk of a future release to the environment is non-existent. Finally, given the financial position of Keystone Consolidated Industries, it would be impossible for Keystone to provide the necessary financial assurances required under I.A.C. Section 725.247, under any available mechanism, and continue to meet the requirements specified by the PBGC.

REMEDIATION
TECHNOLOGIES INC

November 18, 1986

Mr. Al Debus
EPA Region
Technical Programs Section, 5HS-13
230 South Dearborn Street
Chicago, IL 60604

Dear Mr. Debus:

Enclosed please find revised exception sheets for Appendix IX analyses. Compuchem Laboratories sent these revised lists to me on November 17, 1986. These exception lists replace those submitted to you as part of Attachment IV of the Sampling and Analysis Plan for Appendix IX Monitoring at the BN Tie Treating Plant in Brainerd, Minnesota.

Sincerely,

Ron Linkenheil
Project Manager

RL:jm

Enclosures

cc: T. Patnode
J. Lynch
F. Janess

Cindy Spitler - Compuchem
1-800-833-5097

15 Old Town Square
Suite 230
Fort Collins, Colorado 80524
(303) 493-3700

Concord, Massachusetts
Fort Collins, Colorado
Pittsburgh, Pennsylvania
Kent, Washington

COMPUCHEM LABORATORIES

Cindy
Pls return
to Mr
Rick

October 28, 1986

TO: See Distribution

FROM: Terrie Baker TB/

SUBJECT: Revised Exception Sheets

Attached you will find revised exception sheets for the Appendix VIII product. These are also appropriate for the Appendix IX products. There have been no major changes to the number of compounds that are being done by these methods at this time, but the exceptions to the individual methods are better defined. Notable changes are as follows:

1) Three compounds formally listed as 8270 exceptions have now been moved to the appropriate pesticide/herbicide exception sheets. 2-sec-butyl-4,6-Dinitrophenol (Dinoseb) was moved to the 8150 exception sheet, Isodrin was moved to the 8080 exception sheet and Zinophos was moved to the 8140 exception sheet.

2) There are two compounds that we had thought we would be able to evaluate but have since found that no standards are available. In the 8270 methods, 2-Chloro-1,3-butadiene will not be evaluated and in the 8240 methods trichloromethanethiol will not be evaluated due to the unavailability of standards.

3) I have also included an exception sheet for the inorganics required by Appendix VIII and Appendix IX.

Please note that these are exceptions to these methods only as they apply to Appendix VIII and Appendix IX and not to the "as written" methods. The method numbers (i.e., 8270, 8240, etc.) are given only as references.

I am now in the process of making the final changes to the Method References for these products and I will forward copies of these when they have been typed. Please call me if you have any questions.

cc: Mike Terretti
Ross Robeson
Rick Giglio
Chuck Bannerman
Richard Bloom
Kevin McConnaghy
Marketing Staff

EXCEPTION SHEET (Method 8270)

The following compounds are currently required by Appendix IIIV but are not now being analyzed by the laboratory. These compounds are under evaluation and validation by the laboratory and will be added to this product if it is determined that they are analytically feasible.

- 1,4-Naphthoquinone
- 2-Acetylaminofluorene
- 3,3'-Dimethoxybenzidine
- 3,3'-Dimethylbenzidine
- 1,4-Dinitrobenzene
- 4,4'-Methylene-bis-(2-chloroanaline)
- 5-Nitro-o-toluidine
- Aramite
- Chlorobenzilate
- Hexachlorophene
- Hexachloropropene
- Isosafrole → p. 26637
- Methapyrilene
- N-Nitrosodiethylamine
- N-Nitrosmethylethylamine p. 26637
- N-Nitrosomorpholine
- N-Nitrosopyrrolidine
- Pentachloroethane
- Pyridine
- Safrole

The following compounds are not analyzed by the laboratory due to specific analytical problems that are described below.

- 3-Chloropropionitrile (1) See p. 26637
- Benzenethiol (1) See p. 26637
- Benzidine (1)
- Dibenzo(a,e)pyrene (2) p. 26637
- Dibenzo(a,h)pyrene (2) p. 26637
- Dibenzo(a,i)pyrene (2) p. 26637
- Malononitrile (1) p. 26637
- Resorcinol (1) p. 26637
- Tris (2,3-dibromopropyl)phosphate (1) p. 26637
- p-Benzoquinone (1) p. 26637
- N-Nitrosodiphenylamine (3) p. 26637
- 2-Chloro-1,3-butadiene (2) p. 26637

(1) Not recovered in a complex standard mix
(2) No standard available
(3) Not distinguishable from N-Nitrosodiphenylamine

Jerry Garner
8-475-7415

EXCEPTION SHEET (Method 8240)

The following compounds are currently required by Appendix IIIV but are not now being analyzed by the laboratory. These compounds are under evaluation and validation by the laboratory and will be added to this product if it is determined that they are analytically feasible.

- 1,2-Dibromo-3-chloropropane
- 1,2-Dibromoethane
- 1,4-Dioxane
- 2-Butanone
- 2-Propypyn-1-ol
- 3-Chloropropene
- Acetonitrile
- Allyl alcohol
- Ethyl cyanide
- Ethyl methacrylate
- Isobutyl alcohol
- Methacrylonitrile
- Methyl methacrylate
- 1,1,1,2-Tetrachloroethane

The following compounds are not analyzed by the laboratory due to specific analytical problems that are described below.

- Ethylene oxide: not stable in water
- Dichlorodifluoromethane: delisted by Federal Registry (#46FR2264) due to recovery problems
- Trichloromethanethiol: No standard available

EXCEPTION SHEET (Method 8080)

The following compound is currently required by Appendix IX and Appendix VIII but is not now being analyzed by the laboratory by the SW-846 Methods. This compound is under evaluation and validation and will be added to this product if it is determined that it is analytically feasible.

Isodrin ~~IX~~ 1 p. 2663

EXCEPTION SHEET (Method 8150)

The following compound is currently required by Appendix IX and Appendix VIII but is not now being analyzed by the laboratory by the SW-846 Methods. This compound is under evaluation and validation and will be added to this product if it is determined that it is analytically feasible.

2-sec-butyl-4,6-Dinitrophenol (Dinoseb)

~~IX~~, p. 26637

EXCEPTION SHEET (Method 8140)

The analysis of the following compound is required by Appendix IIIV and Appendix IX but it is not now beign anayzed by the laboratory. This compound is under evaluation and validation and will be added to this product if it is determined that it is analytically feasible.

Famphur
o,o-Diethyl-o-2-pyrazinyl phosphorothioate (Zinophos)

IX)

EXCEPTION SHEET (Methods 6010/7000 Series)

The following compounds are required by Appendix VIII but are not now being analyzed by the laboratory. These compounds have been evaluated as to their analytical feasibility and the analytical problems associated with each are outlined below.

Tin: There are no designated SW-846 methods for this element and since the EPA has recently removed this compound from the CLP program, CompuChem is not offering this analysis at this time.

IX

Osmium: Osmium is a highly toxic element and the inorganic laboratory is not equipped to offer analysis of this compound at this time.

IX

The 24-Hour Retention Reservoir, as previously described, is also constructed below grade, and the sediments within the Reservoir are also below the water surface. Direct human contact with these sediments is therefore extremely unlikely.

Finally, it is Keystone's written policy that all business invitees must have a signed pass and be escorted by a management employee at all times while on Keystone property. Therefore, given the fences and security provided by Keystone, the use of 24-hour security guards, and access control to the Keystone property for employees and its business invitees, it is highly unlikely that any individual would have access to the ditches or the other units to be closed, much less direct contact with the sediments.

Failure of Ditch Side Walls

The typical cross-section of the ditches, shown in Figure 3-2, shows that the ditches and the sediments are located below grade. Therefore, failure of a "side wall" that would result in a release of sediments is impossible.

A considerable amount of sampling of the sediments and underlying soils has been conducted by Keystone, and that data has been included in the July 1, 1991 Phase 2 Closure Plan. Further, Keystone has been sampling ground water monitoring wells installed around these various units since 1987. These data clearly show that the contaminants of concern (e.g., the heavy metals) are contained in the sediments and over some 90 years of operation have not been released to the surrounding natural soils or the shallow ground water.